

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-223-S - ORDER NO. 2007-590
AUGUST 23, 2007

IN RE:	Application of Midlands Utility, Inc. for)	ORDER APPROVING
	Approval of a Wholesale Wastewater)	WHOLESALE
	Agreement with the Lexington County Joint)	WASTEWATER
	Municipal Water and Sewer Commission)	AGREEMENT

This matter, filed under the authority of S.C. Code Ann. § 58-5-210 (Supp. 2006) and governed by 26 S.C. Code Ann. Regs. 103-503 and 103-541 (May 25, 2007), comes before the Public Service Commission of South Carolina ("Commission") on an application by Midlands Utility, Inc. ("Midlands" or "Applicant") to approve a wholesale wastewater agreement between the Applicant and the Lexington County Joint Municipal Water and Sewer Commission ("Lexington County Water Commission"). According to the application, Midlands, as a part of its operations, currently provides wastewater services to approximately 143 residents in and near the Windy Hill Subdivision in Lexington County. By the terms of the agreement with the Lexington County Water Commission, Midlands seeks to cease providing wastewater treatment, close out its treatment facilities, and only provide collection of wastewater from the Windy Hill Subdivision. It will then pay wholesale costs to the Lexington County Water Commission for the transportation and treatment of this wastewater. The Lexington County Water Commission will accept from the utility the discharge from its existing

wastewater treatment facilities as required by SCDHEC as part of the Utility's approved close-out plan for the facilities.

Notice of this matter was published in *The State* newspaper on June 20, 2007. No parties have moved to intervene.

In a letter submitted to the Commission supporting the agreement, the Lexington County Water Commission states that it has the technical ability and capacity to transport and treat Windy Hill's wastewater at the City of Cayce's regional facility. It further states that it intends to charge an initial flat rate of \$2.50 per 1,000 gallons of wastewater metered at the Midlands Utility. Although the Lexington County Water Commission indicates this charge is subject to wholesale rate revisions, it agrees that the initial rate will not be increased for a minimum of twelve months, and any future rate increase will not exceed what its retail wastewater customers pay.

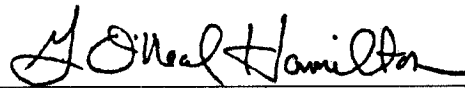
Specifically under the terms of the proposed agreement, Windy Hill residents will be billed a monthly charge of \$41.03, which is an increase from Midlands' current charge to Windy Hill residents of \$37.90. This fee includes a Midlands' collection only fee of \$23.03 plus an \$18.00 fee from the Lexington County Water Commission that is based upon the maximum average permitted by the South Carolina Department of Health and Environmental Control. The South Carolina Office of Regulatory Staff has reviewed the application and does not object to the agreement.

It is the Public Service Commission's opinion that the slight increase in rates to Windy Hill residents is outweighed by the benefits of the close out and transfer from a small private sewer system to a larger county-wide system. We consequently find that

the wholesale wastewater agreement between Midlands Utility, Inc. and the Lexington County Joint Municipal Water and Sewer Commission is in the public interest and is therefore approved. Midlands shall provide an explanation of the increased rate prior to or within the first bill reflecting the increase.

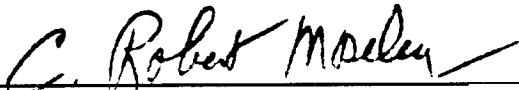
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)